



**DRAFT GENERAL SESSION MINUTES OF THE BOARD OF DIRECTORS MEETING OF
ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

8000 Metropolis Drive (Building E), Suite 100, Boardroom B
Austin, Texas 78744
December 20, 2022

Pursuant to notice duly given, the meeting of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT), convened on the above-referenced date.

Meeting Attendance:

Board Members:

Director	Affiliation/Role (if any)	Voting Category
Aguilar, Carlos	N/A	Voting
England, Julie	N/A	Voting
Flexon, Bob	N/A	Voting
Flores, Bill (Vice Chair)	N/A	Voting
Foster, Paul (Chair)	N/A	Voting
Heeg, Peggy	N/A	Voting
Hjaltman, Courtney	Office of Public Utility Counsel, Public Counsel	Voting
Lake, Peter	Public Utility Commission of Texas (PUCT, Commission), Chairman	Non-Voting
Smati, Zin	N/A	Voting
Swainson, John	N/A (<i>Via Teleconference</i>)	Voting
Vegas, Pablo	ERCOT President and Chief Executive Officer (CEO)	Non-Voting

Officers and Guests:

Officer/Guest	Role
Black, Robert	ERCOT Vice President of Public Affairs
Bivens, Carrie	Potomac Economics, ERCOT Independent Market Monitor (IMM), Director
Cobos, Lori	PUCT Commissioner
Coleman, Chris	ERCOT Lead Meteorologist
Day, Betty	ERCOT Vice President of Security and Compliance and Chief Compliance Officer



Glotfelty, Jimmy	PUCT Commissioner
Gordon, David	PUCT Legal Adviser, Commission Chairman Peter Lake
Helton, Bob	Engie North America Inc., Technical Advisory Committee (TAC) Vice Chair
Hendrix, Chris	Demand Control 2 LLC
Hobbs, Kristi	ERCOT Vice President of Corporate Strategy and PUC Relations
Jackson, Kathleen	PUCT Commissioner
Lange, Clif	South Texas Electric Cooperative, Inc., TAC Chair
Levine, Jonathan	ERCOT Assistant General Counsel and Assistant Corporate Secretary
McAdams, Will	PUCT Commissioner
Ögelman, Kenan	ERCOT Vice President of Commercial Operations
Parakkuth, Jayapal	ERCOT Vice President and Chief Information Officer
Rainwater, Kim	ERCOT Corporate Counsel
Rejino, Tara	PUCT Chief of Staff, Commission Chairman Peter Lake
Rickerson, Woody	ERCOT Vice President of System Planning and Weatherization
Rychetsky, Penny	ERCOT Director of Internal Audit
Seely, Chad V.	ERCOT Vice President, General Counsel and Corporate Secretary
Spak, Mara	ERCOT Vice President of Human Resources
Tamby, Jeyant	ERCOT Senior Vice President, Chief Administrative Officer and Chief of Staff
Taylor, Sean	ERCOT Vice President and Chief Financial Officer
Woodfin, Dan	ERCOT Vice President of System Operations

Call General Session to Order and Announce Proxies (Agenda Item 1)

Paul Foster, Board Chair, determined that a quorum was present and called the Board meeting to order at approximately 8:32 a.m.

Chair Foster recognized Peter Lake, Chairman of the PUCT. Chairman Lake called an Open Meeting of the Commission to order to consider matters that had been duly posted with the Texas Secretary of State for December 20, 2022.

Chair Foster highlighted the antitrust admonition and announced that Board member John Swainson had joined the meeting via teleconference for non-voting participation only. Chair Foster also welcomed to the Board new Public Counsel Courtney Hjaltman.

Chair Foster addressed the following Agenda Items in the order below.

Notice of Public Comment, if Any (Agenda Item 2)

Chair Foster announced that on the agenda for the meeting, which was posted publicly on December 13, 2022, ERCOT had provided instructions for members of the public who were interested in commenting in person and that to date no individuals had expressed interest in commenting, which Chad Seely confirmed.



Consent Agenda; Unopposed Revision Requests Recommended by TAC for Approval (Agenda Items 3, 3.1 and 3.1.1 – 3.1.10)

Chair Foster presented the Consent Agenda. Mr. Seely reviewed the cost impacts of the Revision Requests on the Consent Agenda. Chair Foster entertained a motion to approve the Consent Agenda as follows:

- NPRR1128, Allow FFR Procurement up to FFR Limit Without Proration;
- NPRR1132, Communicate Operating Limitations during Cold and Hot Weather Condition;
- NPRR1138, Communication of Capability and Status of Online IRRs at 0 MW Output – URGENT, and the Revised Impact Analysis;
- NPRR1148, Language Cleanup Related to ERCOT Contingency Reserve Service (ECRS);
- NPRR1152, Remove Requirements to Submit Emergency Operations Plans, Weatherization Plans, and Declarations of Summer/Winter Weather Preparedness – URGENT;
- NPRR1154, Include Alternate Resource in the Availability Plan for the Firm Fuel Supply Service – URGENT;
- NOGRR226, Addition of Supplemental UFLS Stages;
- OBDRR043, Related to NPRR1148, Language Cleanup Related to ERCOT Contingency Reserve Service (ECRS);
- RRGR032, Related to NPRR1132, Communicate Operating Limitations during Cold and Hot Weather Conditions; and
- SCR821, Voltage Set Point Target Information for Distribution Generation Resource (DGR) or Distribution Energy Storage Resource (DESR).

Board Vice Chair Bill Flores moved to recommend approval of the Consent Agenda as presented, including the Revised Impact Analysis for NPRR1138 and a recommended effective date of January 27, 2023 for NPRR1152 and NOGRR226. Carlos Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

October 18, 2022 General Session Meeting Minutes (Agenda Item 4)

Chair Foster entertained a motion to approve the October 18, 2022 General Session Meeting Minutes (Minutes).

Peggy Heeg moved to approve the Minutes as presented. Julie England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

CEO Update (Agenda Item 5)

Pablo Vegas presented the CEO Update. Mr. Vegas reported on the status of 2022 enterprise Objectives and Key Results (OKRs) and highlighted the Winter 2022/2023 Seasonal Assessment of Resource Adequacy (SARA) and Capacity, Demand, and Reserves (CDR) Report. Mr. Vegas indicated ERCOT is monitoring and preparing for extreme cold weather expected this week, including yesterday issuing an Advisory to prepare for the weather to Market Participants, discussed the weekend Load forecast, and provided an update on ongoing winter weatherization inspections.



Mr. Vegas discussed perspectives on Phase 2 Market Redesign. He highlighted the new Fuel Mix Dashboard on the ERCOT website and recognized the ERCOT teams who worked on this effort. He also highlighted the recent opening of registration for the Large Flexible Load (LFL) Voluntary Curtailment Program scheduled to begin January 1, 2023.

2022-2023 Winter Weather Update (Agenda Item 6)

Chris Coleman presented the 2022-2023 Winter Weather Update. Mr. Coleman, Board members, and PUCT Commissioners in attendance also discussed the extreme cold weather expected this week and the weather forecasts ahead of Winter Storm Uri in 2021.

Confirmation of 2023 TAC Representatives (Agenda Item 7)

Chair Foster presented the 2023 TAC Representatives and entertained a motion for their confirmation.

Mr. Aguilar moved to confirm the 2023 TAC Representatives as presented. Zin Smati seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Independent Market Monitor (IMM) Report (Agenda Item 8)

Carrie Bivens presented the IMM Report. She highlighted certain reports available on the Potomac Economics website. Board members and Ms. Bivens discussed the performance of Non-Spinning Reserve Service and Responsive Reserve Service prices in 2022 compared to other years, trends and forecasts for the Peaker Net Margin, and possible reasons for the increase in implied heat rate.

TAC Report (Agenda Item 9)

Clif Lange presented the TAC Report.

Adjunct Membership Application of Pine Gate Renewables LLC for Membership Year 2023 (Agenda Item 10)

Mr. Seely presented the Adjunct Membership Application of Pine Gate Renewables LLC (Pine Gate) for Membership Year 2023. Chair Foster entertained a motion on Pine Gate's application.

Bob Flexon moved to approve the Adjunct Membership of Pine Gate for Membership Year 2023 as requested. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Finance and Audit (F&A) Committee Report; Acceptance of 2022 System and Organization Control Audit Report (Agenda Items 11 and 11.1)

Vice Chair Flores, F&A Committee Chair, reported that the F&A Committee met yesterday and highlighted items discussed at the F&A Committee meeting, including the 2022 System and Organization Control Audit Report, and reported that the result of the audit was an unmodified "clean" opinion with no reportable exceptions reported during the 2022 examination.



Vice Chair Flores moved to accept the 2022 System and Organization Control Audit Report as recommended by the F&A Committee. Mr. Flexon seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Human Resources and Governance (HR&G) Committee Report (Agenda Item 12)

Ms. Heeg, HR&G Committee Chair, reported that the HR&G Committee met the prior day and highlighted items discussed at the HR&G Committee meeting, including the Proposed Amendments to the ERCOT Bylaws, Proposed Amendments to the Board Policies and Procedures, and Ratification of Officer (Agenda Items 12.1 through 12.3 below).

Proposed Amendments to the ERCOT Bylaws; HR&G Committee Recommendation; Corporate Member Alternative Recommendation (Agenda Items 12.1 and 12.1.1 – 12.1.2)

Ms. Heeg presented the Proposed Amendments to the ERCOT Bylaws and HR&G Committee Recommendation. She reported that the HR&G Committee voted unanimously to recommend that the Board approve the proposed amendments to the Bylaws as presented to the HR&G Committee. Chris Hendrix of Demand Control 2 presented the Corporate Member Alternative Recommendation, and he and Board members discussed the alternative recommendation. Chair Foster entertained a motion on the Bylaws amendments.

Ms. Heeg moved to approve the amendments to the ERCOT Bylaws as recommended by the HR&G Committee. Mr. Aguilar seconded the motion. The motion passed by unanimous voice vote with no abstentions.

PUCT Vote on Amendments to the ERCOT Bylaws

Chair Foster recognized PUCT Chairman Lake. Chairman Lake commented on the proposed amendments' conformance with the Commission's November 10, 2022 statement of input and entertained Commission discussion of the Bylaws amendments. Following discussion, Chairman Lake entertained a motion on the Bylaws amendments. Commissioner Kathleen Jackson moved that the Commission approve the amendments to the Bylaws as approved by the Board. Commissioner Jimmy Glotfelty seconded the motion. The motion passed by unanimous voice vote with no abstentions. Chairman Lake noted that the Commission would file a copy of the approved Bylaws in the appropriate docket.

Proposed Amendments to the Board Policies and Procedures; Ratification of Officer (Agenda Items 12.2 – 12.3)

Ms. Heeg reported that the HR&G Committee had recommended approval of proposed amendments to the Board Policies and Procedures and the ratification of Robert Black as ERCOT Vice President of Public Affairs, effective November 7, 2022, each as presented by ERCOT staff.

Ms. Heeg moved to (i) approve the amendments to the Board Policies and Procedures, and (ii) approve the ratification of Robert Black as ERCOT Vice President of Public Affairs, effective November 7, 2022, each as recommended by the HR&G Committee. Mr. Smati seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Periodicity of Meetings (Agenda Item 12.4)

Periodicity of Meetings was not discussed at this time.

Reliability and Markets (R&M) Committee Report; R&M Committee Charter; Retirement of Credit Work Group; 2023 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements (Agenda Items 13 and 13.1 – 13.3)

Mr. Flexon, R&M Committee Chair, reported that the R&M Committee met the prior day and highlighted items discussed at the R&M Committee meeting, including the Committee's recommendations regarding the R&M Committee Charter, Retirement of the Credit Work Group, and 2023 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements.

Mr. Flexon moved to (i) approve the R&M Committee Charter, (ii) retire the Credit Work Group, and (iii) approve the 2023 ERCOT Methodologies for Determining Minimum Ancillary Service Requirements, each as recommended by the R&M Committee. Ms. England seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Other Business (Agenda Item 14)

Chair Foster announced that the 52nd Annual Meeting of ERCOT Membership would be held later that day in person and by teleconference.

Executive Session; Vote on Matters from Executive Session (Agenda Item 15)

Chair Foster recessed General Session at approximately 9:50 a.m. and convened Executive Session at approximately 10:08 a.m. Chair Foster reconvened General Session at approximately 12:28 p.m.

Chair Foster entertained motions for two matters discussed during Executive Session.

Vice Chair Flores moved to select Weaver and Tidwell, LLP as the 2023 System and Organization Control Auditor. Ms. Heeg seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Ms. Heeg moved to approve the personnel matter discussed during Executive Session under Agenda Item ES 2.2.1. Mr. Smati seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Adjournment (Agenda Item 16)

Chair Foster adjourned the meeting at approximately 12:30 p.m.



Board materials and presentations from the meeting are available on ERCOT's website at <https://www.ercot.com/committees/board>.

Jonathan M. Levine
Assistant Corporate Secretary

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